

## Fundamental approach to suppliers

A single Honda automobile is made of 20,000 to 30,000 parts. Manufacturing our automobiles and other products depends on close cooperation with business partners who supply the necessary parts and materials. As our manufacturing base has expanded globally, the trust-based relationships we have established with thousands of suppliers around the world have become crucial to maintaining

stable production and fulfilling our commitment to the continuing enhancement of quality and advanced product performance. Recognizing the importance of its relationship with suppliers, Honda is building long-term relationships and growing hand-in-hand with its business partners.

## Enhancing partnerships

### Recognizing 48 companies at the awards ceremony for suppliers

In addition to sharing business policies and purchasing measures with suppliers, Honda holds awards ceremonies for suppliers. At one such meeting in January 2011, President Takanobu Ito met with participants from 325 companies to explain Honda's policy of harnessing Japan's lead in organizational reform and innovation to provide customers with high-quality products quickly, inexpensively, and in a low-carbon manner. Next, Honda presented letters of

appreciation to 48 suppliers who made outstanding contributions to the company's business in development, cost, quality, parts, and special (superior quality and global quality) categories. Then Masaya Yamashita, Chief Operating Officer of Purchasing Operations, explained Honda's future approach to purchasing and the company's new Green Purchasing Guidelines and asked the assembled suppliers to redouble their cooperation.

### Striving to achieve a safer labor environment

Honda has consistently worked to encourage the creation of safe work environments at its suppliers' manufacturing sites in order to fulfill founder Soichiro Honda's assertion, "There can be no production without safety."

Since 2009, we have been augmenting classroom lectures and training on occupational health and safety management systems by conducting simple audits of manufacturing sites with suppliers and

encouraging each company to move quickly to develop and introduce an occupational health and safety management system that suits the characteristics of its own production system. Going forward, we will continue to work with suppliers to eliminate industrial accidents as part of our efforts to create workplace environments in which employees can do their jobs with peace of mind.

## Building purchasing and procurement systems

### Pursuing CSR with suppliers

Honda has pursued CSR activities together with suppliers in accordance with the Honda Philosophy in areas such as safety, disaster prevention, compliance, environmental conservation, and QCD. In addition to these initiatives, we have published a series of Supplier CSR Guidelines that articulate considerations such as human

rights and labor, asking suppliers to actively conduct CSR activities based on the same awareness as Honda. We also published a CSR Checklist that suppliers can apply to their own operations and those of secondary suppliers.

### Procuring environmentally responsible materials and parts

#### Revising the Green Purchasing Guidelines

In January 2011, we revised the Honda Green Purchasing Guidelines, which serve to guide environmental conservation activities in the purchasing domain, in an effort to assess and reduce environmental impacts such as greenhouse gases throughout the product life cycle, including all domains of business partners' corporate activities.

The revision seeks to move beyond direct suppliers by assessing and reducing environmental impacts throughout the supply chain, addressing operations by all business partners worldwide that provide materials and parts for Honda products through our global parts procurement operations. We began working immediately in January to share the new guidelines with business partners in Japan

and overseas, and on May 23 we held a Green Purchasing Guidelines information meeting at our Aoyama Headquarters for environmental representatives from 218 business partners nationwide. Participants learned about Honda's approach concerning the monitoring and reduction of greenhouse gas emissions in the supply chain domain, and about specific plans for the measurement and reduction of emissions.



An information meeting was held on May 23, 2011, at the Aoyama Headquarters